

**GOVERNMENT OF INDIA  
COAL  
LOK SABHA**

UNSTARRED QUESTION NO:944  
ANSWERED ON:03.03.2010  
EXPERT COMMITTEE ON COAL  
Tirkey Shri Manohar

**Will the Minister of COAL be pleased to state:**

- (a) whether an Expert Committee for suggesting a roadmap for the coal sector has submitted its report;
- (b) if so, the recommendations of the Committee;
- (c) the findings regarding mining in West Bengal and Jharkhand; and
- (d) the action taken by the Government so far on the recommendations of the Committee?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF COAL AND MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF STATISTICS & PROGRAMME IMPLEMENTATION (SHRI SRIPRAKASH JAISWAL)

(a) (b) & (d): Yes, Sir. The Expert Committee constituted by Ministry of Coal on Road Map for Coal Sector Reforms under the Chairmanship of Shri T.L. Shanker submitted Part -I of the Report in December, 2005 and Part-II in September, 2007.

The Major recommendations and action taken thereon are as under:

Sl. No.	Major Recommendations taken	Action Taken /proposed to be taken
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1	Augmenting domestic coal production to bridge the gap between demand and supply with emphasis on captive coal mining.	Government has allotted a number of new captive coal blocks, besides taking up a number of new coal projects under coal captive coal mining. PSUs to augment coal production to bridge the gap between demand and supply.
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2	As coal shall remain India's primary source of commercial energy supply, a time-bound plan to cover the entire country by regional mapping in 15 years should be prepared by Geological Survey of India, Central Mine Planning and Design Institute (CMPDIL) and Ministry of Coal (MOC).	An action Plan has been prepared to cover the balance coal bearing area of 5438 sq. km under regional exploration. It is envisaged that an area of 2791 sq. km will be covered during the XI Plan and the balance there after. Exploratory drilling capacity of CMPDIL is being doubled.
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3	Coal India Limited (CIL) may be granted the status of Navratna company and the subsidiaries of CIL may be granted the status of Mini Ratna companies in which case only those proposals of such a subsidiary would	CIL has been granted Navaratna status. Besides this, 6 of its subsidiary companies (South Eastern Coalfields Ltd.; Western Coalfields Ltd.; Mahanadi Coalfields Ltd.; Northern Coalfields Ltd.; Central Coalfields Ltd., Central Mine
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need government approval wherein the capital expenditure exceeds Rs. 500 crore. Planning and Design Institute Limited) and Neyveli Lignite Corporation Ltd. have been accorded Miniratna Category-I status.

In July 2009 the Government has approved enhancing the financial powers of SCCL Board to approve projects, and to incur capital expenditure from 100 crore to Rs. 500 crores.

4 The issue of major restructuring of CIL should be considered during the 12th Plan Period. This has been agreed to.

5 The environmental issue in respect of coal projects should be taken up on priority consideration by the Government. The Government has issued new Environment notification on 14.9.2006 as per which the proposals of coal mining projects are being processed for environmental clearance.

6 Planned imports of coal need to be encouraged. CIL is also contemplating to import coal. Imports are planned by Power Sector every year in advance keeping in view the requirement.

7 Increasing proportion of all domestic coal that is not earmarked for Power Sector be brought into the E-auction market over the next 2 to 3 years. E-auction of coal has already been started.

8 The current system of linkages feeding the power sector may be replaced with formal long term Fuel Supply and Transport Agreements that include the Railways. The New Coal Distribution Policy of Government provides for long term fuel supply and transport agreements that include railways.

9 All possible legal measures should be evolved to cancel the licenses issued earlier if the allottee has not taken adequate steps to bring the allotted mines to production or in setting up the end use units. On the basis of regular review of the progress of captive blocks, de-allocation of some coal blocks has been done. Regular monitoring is being done to review the progress periodically.

10 Coal price would need to be regulated in light of the market realities. The regulation of coal price has to be differentiating the pricing of coal for power generation since it consumes 80% of the domestic production and the quality of coal it consumes. So far as Ministry of Coal is concerned, the pricing of coal has been fully deregulated after the Colliery Control Order, 2000 notified with effect from 1st January, 2000 in supersession of the Colliery Control Order, 1945. Under the Colliery Control Order, 2000 the Central Government has no power to fix

is not easily saleable to the prices of coal. Coal  
the steel and cement Companies are empowered to fix  
sectors. the price of coal.

11 Promotion of underground mining to enhance the level of production from underground mines from around 44 million tonnes achieved in 2006-07 to about 67 million tonnes by 2011-12 mainly by adopting mechanisation of operations, introduction of continuous miner technology and longwall technology. Action has been initiated by CIL to enhance the level of production from underground mines from around 44 million tonnes achieved in 2006-07 to about 67 million tonnes by 2011-12 mainly by adopting mechanisation of operations, introduction of continuous miner technology and longwall technology. The additional investment has been estimated at Rs. 5185.59 crores for attaining this production level. CIL has also identified 7 blocks which can be developed into mega mine (more than 2 million tonnes production per annum) with state of the art consultancy and technology with foreign expertise.

12 Improve production and productivity of men & machinery with focus on technology up gradation opencast mines mainly by increasing the number of hours of operation and awarding maintenance and repair contracts, streamlining the replacement of old equipment, and deployment of large size equipment. In underground mines, improvement in productivity is being addressed through mechanized coal loading operations adopting side discharge loaders, load haul dumpers, conveyor belts etc. and introduction of continuous miner technology and longwall technology wherever it is feasible. Shortwall technology on experimental basis has also been introduced. Adoption of Highwall technology is also envisaged in some of the opencast mines. Action has been initiated to improve productivity of heavy machinery with focus on earth moving machinery (HEMM) in opencast mines mainly by increasing the number of hours of operation and awarding maintenance and repair contracts, streamlining the replacement of old equipment, and deployment of large size equipment. In underground mines, improvement in productivity is being addressed through mechanized coal loading operations adopting side discharge loaders, load haul dumpers, conveyor belts etc. and introduction of continuous miner technology and longwall technology wherever it is feasible. Shortwall technology on experimental basis has also been introduced. Adoption of Highwall technology is also envisaged in some of the opencast mines.

13 There is need to have permanent cell for technology evaluation and monitoring and improving technology. A department has already been created at Coal India and also at CMPDIL for adoption of new technology. CMPDIL as the systematic operating planning wing of Coal India provides the initial inputs for equipment procurement (in adoption of new technology. CIL).

14 Switch over to Gross Calorific Value (GCV) based pricing and grading of coal, it was agreed between Coal India Limited (CIL) and NTPC to try out the proposed bandwidth price structure with 300 k. cal/kg for coal supply at some NTPC power plants initially for 60 days. For adopting the GCV system of grading of coal, it was agreed between Coal India Limited (CIL) and NTPC to try out the proposed bandwidth price structure with 300 k. cal/kg for coal supply at some NTPC power plants initially for 60 days. However, this has not come through due to the lapse of time agreed to between NTPC and Coal

India Limited and also lack of installation of automatic mechanical samplers at the loading points.

CIL now has four nos. of operating Auto Mechanical Samplers (AMSS) at loading points in NCL and is ready for trials.

15 Promote coal washing Government has already taken a policy decision to encourage use of washed coal by permitting private entrepreneurs to set up washeries on coal company's land. CIL has also taken a decision to supply washed coal to power sector by setting up new washeries on Build Own Maintain (BOM) basis and funding will be made by CIL. Additional washing capacity of about 140 million tonnes per year is envisaged to be created in next five years time.

16 Promotion of cutting edge technologies like CBM operations on commercial Underground Coal lines and 26 blocks have been Gasification (UCG), Coal allotted to various Bed Methane (CBM), Coal entrepreneurs. Directorate Mine Methane (CMM), Coal to General of Hydrocarbons (DGH) Liquid (CTL) etc under Ministry of Petroleum & Natural Gas (MoP&NG) regulates the CBM operations. For CMM, coal companies are taking action to extract methane gas from the existing mines and a demonstration project in association with United Nations Development Programme (UNDP) / Global Environmental Fund (GEF) is under implementation in one of the mines of Bharat Coking Coal Ltd. (BCCL). Government has recently recognized UCG, CTL as one of the permitted end uses under the captive mining policy.

17 Although India is not under any obligation under Kyoto Protocol to reduce emissions, it is recommended that India should assume their role of a responsible user of coal taking every effort to reduce the emission level of coal as well as its consumption. Action already initiated for adopting clean coal technologies. CIL has committed to sell processed coal to all its consumers. Government has given lot of stress for the extraction of coal bed methane which would eventually reduce emission from burning coal.

18 Outsourcing should be differentiated from contract labour employment. It is not a method to extract more work and pay less to unskilled and semi skilled labour. In fact, it becomes relevant and inevitable in tasks, which CIL and its subsidiaries have initiated action and have included clauses in the tenders/contracts to remove exploitation of labour and also have generated training programmes for uplifting skills of its own workmen.

call for specialized skills.

19 Setting up of a Coal Action initiated for creating a Governance & Regulation Coal Regulatory Authority. As authority (CGRA) to co-ordinate and attend to all issues relevant for development of coal resources, regulation of coal price (wherever necessary), and nurturing level playing field between the entrenched large public sector coal companies and the emerging small coal companies in the State public sector and the captive mining sector. Coal Regulatory Authority. As suggested by Ministry of Law some major modifications in the Draft Bill has been examined and modified Draft Bill is under consideration for concurrence in the Ministry of Law.

20 Ensure proper mine closure Draft guidelines for mine and restoration of mined out areas. The Coal Regulatory Authority should be given the responsibility to monitor the restoration work. A fee of Rs.10 per tonne of coal mined as Mine-restoration levy should be collected annually and release as grants on for such work. Draft guidelines for mine closure have been issued by the Ministry of Coal which would be implemented by the Coal Controller till the Coal Regulatory Authority is put in place.

21 Coal R&D fund should be created whereby half of one percent of the turnover of all coal companies in the public and private sectors is deposited. CGRA could manage the funds. The creation of R&D fund is agreed to. It is preferable that the proposed fund should be kept available with the industry instead of the Coal Regulatory Authority. In the present system the R&D activities are identified, monitored and funded through a Standing Scientific Research Committee (SSRC), which is chaired by Secretary (Coal).

(c): Findings of the Committee are broadly concerned with the coal sector development in India but not specific for any particular state.